

Message Text

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ACTION ITC-01

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E.O. 11652: N/A
TAGS: ETRD, BR, OVIP (ABLONDI)
SUBJECT: PRESS COVERAGE OF ITC COMMISSIONER ABLONDI'S TALK TO
CENTER FOR FOREIGN TRADE STUDIES

REF: (A) STATE 90015, (B) RIO 1851

1. ITC COMMISSIONER ABLONDI'S PRESENTATION ON APRIL 18 AT A SEMINAR SPONSORED BY THE CENTER FOR FOREIGN TRADE STUDIES (CENCEX), REPORTED REFTEL B, HAS GENERATED A NUMBER OF ARTICLES IN THE BRAZILIAN PRESS COMMENTING BOTH ON THE CENCEX SEMINAR ITSELF AND ON THE BRAZILIAN ATTITUDE TOWARD THE BASIC TRADE ISSUES UNDER NEGOTIATION IN THE MTN. THE APRIL 19 ISSUE OF GAZETA MERCANTIL (THE BRAZILIAN EQUIVALENT OF THE WALL STREET JOURNAL) CARRIED THE MOST COMPLETE AND ACCURATE COVERAGE OF THE CENCEX SEMINAR. THE ARTICLE, HOWEVER, FOCUSED ON ITS QUOTATION OF COMMISSIONER ABLONDI AS SAYING THAT BRAZIL SHOULD REVIEW ITS EXPORT SUBSIDY POLICY. (COMMENT: CONGENOFFS PRESENT AT BOTH SEMINAR PRESENTATION AND SUBSEQUENT PRESS INTERVIEW BELIEVE THAT ABLONDI MADE NO SUCH DIRECT STATEMENT OR SUGGESTIONS ON BRAZILIAN EXPORT POLICY. THE GENERAL CONTENT OF DISCUSSION THROUGHOUT THE SEMINAR -- WHICH FOCUSED ON THE PROBLEMS FACED BY SUBSIDIZED BRAZILIAN EXPORTS WITH THE U.S. MARKET -- POINTS
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PERHAPS TO THIS CONCLUSION, BUT THE GAZETA QUOTATION APPEARS ERRONEOUS.)

2. THE BRAZILIAN INDUSTRIALISTS ATTENDING THE CENCEX SEMINAR HAD TWO FUNDAMENTAL QUESTIONS FOR COMMISSIONER ABLONDI, ACCORDING TO THE ARTICLE. THESE COVERED THE STATUS OF MTN NEGOTIATIONS ON AN INTERNATIONAL SUBSIDY CODE AND THE APPLICA-

TION OF COUNTERVAILING DUTIES BY THE USG. WHILE GAZETA MERCANTIL DESCRIBED ABLONDI'S RESPONSES TO THESE QUESTIONS AS "RETICENT" AND "CAUTIOUS", CONGENOFFS RECEIVED FAVORABLE COMMENTS FROM THE BUSINESSMEN PRESENT ON ABLONDI'S PRESENTATION OF THE COMPLEX SYSTEM FOR ADMINISTERING TRADE QUESTIONS WITHIN THE USG.

3. THE ARTICLE ALSO HIGHLIGHTED THE VIEWS EXPRESSED BY BRAZILIAN INDUSTRIALISTS AND CENCEX OFFICIALS AT THE SEMINAR THAT U.S. TRADE RESTRICTIONS OFTEN REINFORCED TRADITIONAL TRADING PATTERNS, DISCRIMINATING AGAINST EMERGING EXPORTERS SUCH AS BRAZIL AND PROVIDING LITTLE RELIEF TO U.S. DOMESTIC PRODUCERS. IN A RELATED COMMENT NOT MENTIONED IN OTHER PRESS ACCOUNTS, GAZETA MERCANTIL SAID THAT, DURING MEETINGS IN BRASILIA BETWEEN ABLONDI AND GOB OFFICIALS, THE GOB WOULD URGE THE ITC TO EMPHASIZE ADJUSTMENT ASSISTANCE FOR U.S. FIRMS RATHER THAN IMPOSING IMPORT RESTRICTIONS WHICH HAMPERED NEW ENTRANTS TO INTERNATIONAL TRADE.

4. IN A RELATED EDITORIAL IN THE APRIL 20, 1978 JORNAL DO BRASIL, BEING REPORTED SEPTTEL BY USICA, EMPHASIS WAS ALSO PLACED ON THE DANGER THAT THE MTN WOULD REINFORCE THE POSITIONS OF THE RICH NATIONS AT THE EXPENSE OF EMERGING COUNTRIES. THE EDITORIAL ALSO MENTIONED THE PROBLEMS EXPERIENCED BY BRAZILIAN EXPORTERS WITH U.S. COUNTERVAILING DUTIES, CITING THE SCISSOR AND SHEAR CASE REPORTED REFTTEL B. THIS CASE WAS LIMITED OFFICIAL USE

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USED TO HIGHLIGHT THE BRAZILIAN VIEW THAT COUNTERVAILING DUTIES SHOULD BE BASED ONLY ON THE EXISTENCE OF INJURY TO DOMESTIC PRODUCERS AND NOT MERELY ON THE FACT THAT THE EXPORTS ARE SUBSIDIZED. THE EDITORIAL RECOMMENDS THE CREATION OF AN INTERNATIONAL INSTITUTION WHICH WOULD MAKE DETERMINATIONS ON INJURY TO DOMESTIC PRODUCERS INDEPENDENT OF THE LEVEL OF SUBSIDIZATION RECEIVED BY COMPETING IMPORTS. (COMMENT: THIS INJURY-DETERMINATION AGENCY IS APPARENTLY SUGGESTED IN CONNECTION WITH THE PROPOSED GATT SUBSIDIES CODE -- WHICH HAS BEEN WIDELY PROMOTED IN BRAZILIAN PRESS IN RECENT WEEKS.) DEXTER

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